

CONFIDENTIAL

21 March 1949

Executive

Assistant Director, Office of Operations

Cypriot income tax

1. The Foreign broadcast information drawn at present has the following personnel assigned to the Mediterranean Bureau on the Island of Cyprus:



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All of these individuals are subject to the provisions of the current United States income tax law, and pay income tax to the United States Government. It is understood that under the income tax law of the Colonial Government on the Island of Cyprus they may also be considered liable for the payment of income tax to the Cypriot Government.

2. The agreement between the United States Government and the Government of Great Britain which obviates the payment of dual taxation by citizens of one country residing in the other may or may not be applicable to the British colonies. This point is at present under consideration by the British Foreign Office.

3. It is understood, however, that the Cypriot income tax law exempts official representatives of foreign governments who reside or who are employed on the Island. In order to clarify immediately the position of FBIS personnel with respect to their liability for payment of the Cypriot income tax, it is recommended that the necessary action be taken through the Department of State to designate all FBIS American personnel as official representatives of the United States of America and to insure that this official designation is reported to the Cypriot Government through the American Consul on the Island.

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